

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 132 – HB 261

March 18, 2013

SUMMARY OF BILL: Requires that the personal responsibility plan of an applicant for or recipient of temporary assistance pursuant to the state Families First program include that a parent or other caretaker relative ensures that every child in the family maintain satisfactory academic progress in school in addition to attending school. Failure to require a child to attend school or to maintain satisfactory academic progress, without good cause, will result in a 30 percent reduction with regard to the temporary assistance payment until such time as compliance occurs. Satisfactory academic progress is defined as complying with the attendance requirements of Title 9, Chapter 6, Part 30, and receiving a score of proficient or advanced on required state examinations in the subject areas of mathematics and reading/language arts; demonstrating competency as determined by the state board of education on two end of course examinations; or maintaining a grade point average that is sufficient to attend the next grade. A student may attend a summer school course and receive a passing grade in the course in order to achieve satisfactory academic progress in a subject area in which the student failed or scored below proficient or failed to demonstrate competency. The provisions relative to competency or grade point averages will not apply to students who have Individualized Educational Placements (IEPs) and who are not academically talented or gifted.

The failure of a parent or caretaker relative to comply with the requirement that children in the family receive immunizations and health checks, without good cause, will result in a 25 percent reduction with regard to the temporary assistance payment instead of a 20 percent reduction.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$11,900/One-Time
\$104,400/Recurring**

Other Fiscal Impact – The increased reductions in temporary assistance payments imposed by the bill will result in decreased expenditures that will be used to provide benefits to other recipients of temporary assistance benefits. The amount of the decrease cannot be quantified because DHS has not provided information relative to reductions currently imposed by DHS.

Assumptions:

- According to the Department of Human Services, the policy changes, training, notification of clients, and a potential increase in appeals resulting from the bill can be

accommodated by the existing resources of the Department without an increased appropriation or reduced reversion.

- According to the Department of Human Services, the change in penalty rates and the requirement to monitor satisfactory academic progress will require changes to the ACCENT system.
- According to the Department of Human Services, the changes to the accent system will require an additional information systems staff person and data processing charges.
- It is estimated that the increase in one-time state expenditures related to data processing will be \$7,500 (mainframe) and the increase in recurring state expenditures related to data processing will be \$25,000 (batch cost).
- It is estimated that the additional staff person will result in a one-time increase of state expenditures of \$4,400 (\$3,300 office landscaping + \$200 wiring + \$900 computer)].
- It is estimated that the additional staff person will result in a recurring increase of state expenditures of \$79,376 (\$58,600 salary and taxes + \$14,176 benefits + \$6,600 office space, supplies, telephone, LAN/WAN)].
- It is estimated that the total one-time increase in state expenditures will be \$11,900 (\$7,500 + \$4,400).
- It is estimated that the total recurring increase in state expenditures will be \$104,376 (\$25,000 + \$79,376).
- The increased reductions in temporary assistance payments imposed by the bill will result in decreased expenditures that will be used to provide benefits to other recipients of temporary assistance benefits. The amount of the decrease cannot be quantified because DHS has not provided information relative to reductions currently imposed by DHS.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/ehu